

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, et al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**URGENT MOTION OF ASSURED GUARANTY CORP., ASSURED GUARANTY
MUNICIPAL CORP. AND NATIONAL PUBLIC FINANCE GUARANTEE
CORPORATION FOR LEAVE TO REPLY TO DOCKET ENTRY NO. 2863**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

To the Honorable United States District Judge Laura Taylor Swain:

Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation (collectively, “Objectors”) respectfully submit this *Urgent Motion of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation for Leave to Reply to Docket Entry No. 2863* (“Motion”) seeking entry of an order, substantially in the form attached hereto as Exhibit A, permitting the Objectors to file a reply memorandum to the *Response to Reply Memorandum in Further Support of Objections of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2863) (“Bhatia II Response”).

BACKGROUND

1. On March 12, 2018, the Objectors filed the *Objections of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2707) (“Objections”).² In their Objections, the Objectors relied on a 2017 decision from the Supreme Court of Puerto Rico, Bhatia-Gautier v. Roselló-Nevarés, 2017 TSPR 173, 2017 WL 4975587 (P.R. 2017) (“Bhatia I”).

2. On March 16, 2018, after the Objections were filed, Judge Lauracelis Roques-Arroyo of the Commonwealth of Puerto Rico Court of First Instance, San Juan Part, Superior Court (“Superior Court”) issued a decision, Bhatia-Gautier v. Roselló-Nevarés, Civil No. SJ2017CV00271 (P.R. Super. Ct. Mar. 16, 2018) (“Bhatia II”).

3. On March 23, 2018, Respondents filed the *Response to Objections of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2798) (“Response”).

² Capitalized terms not defined herein are defined in the Objections. “ECF No.” refers to docket entries in Case No. 17 BK 3283-LTS, unless otherwise noted.

4. On March 26, 2018, Objectors filed *Assured Guaranty Corp.’s, Assured Guaranty Municipal Corp.’s and National Public Finance Guarantee Corporation’s Informative Motion Regarding Recent Authority Supporting their Objections to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2815) (“Informative Motion”) submitting a certified translation of Bhatia-Gautier II. In the Informative Motion, Objectors also informed the Court that they intended to seek leave from the Court in order to file a reply memorandum to the Response. On March 28, 2018, the Court issued the *Order Scheduling Reply Brief to Docket Entry No. 2798* (ECF No. 2819) granting Objectors leave to submit a five page reply by April 2, 2018.

5. On April 2, 2018, the Objectors filed the *Reply Memorandum in Further Support of Objections of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2835) (“Reply”).

6. On April 4, 2018, Respondents filed the *Urgent Motion for Leave to Respond to the Reply Memorandum in Further Support of Objections of Assured Guaranty Corp., Assured Guaranty Municipal Corp. and National Public Finance Guarantee Corporation to the Magistrate Judge’s February 26, 2018 Order* (ECF No. 2843), which requested entry of an order permitting Respondents to respond to Objectors’ Reply. On April 5, 2018, the Court issued the *Order Scheduling Reply Brief to Docket Entry No. 2835* (ECF No. 2845) granting Respondents leave to submit a five page reply by April 9, 2018.

7. On April 9, 2018, Respondents filed the Bhatia II Response. See ECF No. 2863.

RELIEF REQUESTED

8. Respondents' Bhatia II Response raises new arguments regarding Bhatia II that were not raised in their Response to the Objections. Objectors respectfully request that they be granted leave to submit a reply memorandum in order to reply to the Bhatia II Response.

9. Respondents were permitted to file the Bhatia II Response in order to respond to arguments that Objectors made regarding Bhatia II in their Reply. Given that Bhatia II was issued after the Objections were filed, Objectors could only make arguments regarding Bhatia II in their Reply.

10. Moreover, in Bhatia II, the Superior Court relied and expanded on the Puerto Rico Supreme Court's findings in Bhatia I. In the Objections, Objectors relied on Bhatia I and attached a certified translation of the decision. See ECF No. 2707 at 4, 11; ECF No. 2707-3. In their Response to the Objections, Respondents failed to address Bhatia I, indeed it is not cited in the Response. See generally ECF No. 2798. Thus, Respondents' arguments regarding the Bhatia line of cases were made for the first time in the Bhatia II Response. Objectors should be permitted to reply to these arguments.

11. Counsel for Objectors have conferred with counsel for Respondents, who advised that Respondents do not oppose this Motion.

12. For these reasons, Objectors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, granting Objectors leave to file a reply memorandum, not to exceed five (5) pages, to the Bhatia II Response by 5:00 p.m. (Atlantic Standard Time) on April 16, 2018.

Dated: New York, New York
April 10, 2018

CASELLAS ALCOVER & BURGOS P.S.C.

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CERTIFICATION

In accordance with Sections I.H and III.F of the *Fourth Amended Notice, Case Management and Administrative Procedures* (ECF No. 2839-1), Local Bankruptcy Rule 9013-1(a)(1), and Standing Orders entered by the Court on September 15, 2017, the undersigned hereby certifies that counsel has carefully examined the matter and concluded that there is a true need for this Motion; have not created the urgency through any lack of due diligence; have made a bona fide effort to resolve the matter; have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought before the Court; and have conferred with counsel for the Respondents, and no party opposes the relief requested herein.

At New York, New York, 10th day of April, 2018.

By: /s/ Howard R. Hawkins, Jr.*
Howard R. Hawkins, Jr.
* Admitted pro hac vice

CERTIFICATE OF SERVICE

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case. Further, I directed that the following counsel of record be served by U.S. Mail:

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At New York, New York, 10th day of April, 2018.

By: /s/ Howard R. Hawkins, Jr.*
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